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July 11, 1996

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, NW, Room 222
Washington, DC 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: Ex Parte - CC Docket 96-98
Implementation of the Local Competition Provisions
of the Telecommunications Act of 1996

Dear Mr. Caton:

This letter responds to the request of Mr. Stuart Kupinsky and Mr. Paul Gallant of the Policy and Program Planning Division of the Commission's Common Carrier Bureau to provide additional information and to answer questions raised at our meeting on June 28, 1996.¹ At that meeting, we discussed AT&T's previously-stated positions on unbundling as outlined in its Comments and Reply Comments in the above referenced docket.

Subloop Unbundling:

Currently, sub-loop architectures utilize a range of technologies, from single copper pairs that run between the customer's premises² and the central office, to state of the art fiber feeders connected through concentrator/multiplexers to copper loop distribution plant. As a result, interconnection to loop sub-elements could vary even within a small

¹ See Letter to Mr. William F. Caton, Secretary, Federal Communications Commission, from Bruce K. Cox, Government Affairs Director, AT&T, dated June 28, 1996, regarding Ex Parte Presentation, CC Docket 96-98, Implementation of the Local Competition Provisions of the Telecommunications Act of 1996.

² A Network Interface Device (NID) is a single-line termination device or that portion of a multiple-line termination device required to terminate a single line or circuit at a customer's premises. The fundamental function of the NID is to establish the official network demarcation point between a carrier and its end-user customer. The NID features two independent chambers or divisions which separate the service provider's network from the customer's inside wiring. Each chamber or division contains the appropriate connection points or posts to which the service provider and the end-user customer each make their connections. The NID provides a protective ground connection, and is capable of terminating cables such as twisted pair cable. The NID should be subject to immediate unbundling.

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geographic area such as a local serving area. For this reason, AT&T believes the Commission rules should be written in such a manner that the industry is charged to identify which sub-loop elements can be unbundled immediately, which can be unbundled in the future based on the deployment of new technology, and which (if any) cannot feasibly be unbundled in any case. The Commission should charge the Interexchange Carrier Compatibility Forum (ICCF) to identify and map sub-loop architectures into these categories. As a part of the Section 251 requirements, the Commission should retain both the right of CLECs to interconnect at sub-loop elements and require immediate sub-loop unbundling for those architectures in category one. The Commission should require that this work be completed expeditiously, and no later than one year from the date of the Commission's order.

IDLC Unbundling:

There are at least three potential options for disaggregating individual customer loops from an integrated digital loop carrier (IDLC) system. 1) The loops for those customers who wish to change their local service provider can be moved off of the digital loop carrier (DLC) onto a copper facility if the ILEC has spare copper to serve the customers involved, and can maintain equal loop quality. 2) The ILEC can install a central office terminal (COT) between the DLC facility and their switch. This COT would serve as a demultiplexer to segregate individual loops before they interface with the switch. 3) Equipment manufacturers have developed a next generation of remote terminals for DLCs. Currently these remote terminals can serve two carriers and can be developed to serve multiple carriers. This multihoming on the DLC will allow the industry to continue using this technology without denying consumers choices of local service providers.

Dedicated Transport:

AT&T defines 'Dedicated Transport' as an interoffice transmission path between AT&T designated locations. Such locations for example may include ILEC central offices or other equipment locations, AT&T network components or other carrier network components, or customer premises.

1AE Switch Limitations:

The limitations of the 1AE switch (which is embedded technology no longer newly deployed) with regard to screening for the purpose of selective routing³ is as follows: In a Lucent 1A ESS, customer lines can be provisioned with a unique chart in the Chart Class Column translator. This provisioning will allow the switch to distinguish AT&T end user customers from those of the ILEC. However, switch resources available to perform this screening, depend on the call load in each office. Memory capacity in the office may become a concern if it is already close to the limit. In many cases, memory reorganization or expansion may be necessary. Even with memory expansion, the maximum number of unique Chart Class Column translators available is only eight (8).

³ The method by which a customer's traffic is guided to a specific trunk group.

Attached is a draft of an issue to be submitted to the ICCF which will develop a longterm solution for selective routing not only in the 1AE switch but other switches.

The Bellcore local exchange routing guide (LERG) indicates that 1AE switches account for the following percentages:

| <u>COMPANY</u> | <u>TOTAL SWITCHES</u> | <u>1AE SWITCHES</u> | <u>%1AEs</u> |
|-----------------|---------------------------|---------------------|--------------|
| Ameritech | 700 | 82 | 11.7 |
| Bell Atlantic | 887 | 76 | 08.6 |
| BellSouth | 926 | 121 | 13.1 |
| GTE | 2374 | 26 | 01.1 |
| NYNEX | 329 | 22 | 06.7 |
| Pacific Telesis | 514 | 85 | 16.5 |
| SBC | 668 | 154 | 23.1 |
| US West | 663 | 114 | 17.2 |
| SNET | 88 | 21 | 23.9 |
| | ----- | ----- | ----- |
| Total | 7149 | 701 | 09.8 |

Section 251(d)(2):

The suggestion that Section 251(d)(2) undermines the broad and explicit unbundling mandate of Section 251(c)(3) is simply not correct. Section 251(c)(3) clearly provides that it is the duty of incumbent local exchange carriers "to provide . . . nondiscriminatory access to network elements on an unbundled basis at any technically feasible point . . ." Section 251(d)(2) provides that "[i]n determining what network elements should be made available for purposes of subsection (c)(3), the Commission shall consider, at a minimum, whether - (A) access to such network elements as are proprietary in nature is necessary; and (B) the failure to provide access to such network elements would impair the ability of the telecommunications carrier seeking access to provide the services that it seeks to offer."

Together, the provisions establish two bases upon which the Commission is required to determine which network elements shall be unbundled. First, the Commission shall determine the technical feasibility of providing the element in question on an unbundled basis. Second, in the case of those elements that are "proprietary in nature," the Commission would further "consider" whether access to "such" elements is "necessary" such that denial of access would "impair" the ability of the requesting carrier to provide service. Section 251(d)(2) does not authorize the Commission to consider matters beyond technical feasibility with respect to requests for unbundling of network elements that are not proprietary. This is the only reading of the statute that harmonizes Section 251(c)(3) and Section 251(d)(2). To read Section 251(d)(2) any other way would nullify Congress' decision to require access to unbundled network elements at any technically feasible point.

In regards to elements that are claimed to be "proprietary in nature," the Commission should apply a heavy presumption in favor of unbundling at every technically feasible point and place the burden on the ILECs to demonstrate that the element should not be unbundled. To do otherwise would undermine a core purpose of Section 251 -- to allow requesting carriers an opportunity to gain access to unbundled ILEC network elements at every technically feasible point -- and would provide the ILECs an enormous opportunity to avoid the requirements of the Act. Indeed, this is apparent in USTA's claim (USTA Comments, p. 28) that Section 251(d)(2) authorizes ILECs to develop new "proprietary" network elements or features and withhold them from CLECs.

Accordingly, the Commission should require the ILECs to demonstrate the extent and nature of the harm that would occur as a result of providing unbundled access to a network element that is "proprietary in nature." If the Commission determines that the asserted harm is genuine, significant, and unrelated to the purported "harm" that would result to the ILEC from allowing another carrier to use the unbundled network element to compete with the ILEC, then the Commission should consider the effect that denying access to such element will have on the requesting carrier's ability to provide service. In all events, the Commission should endeavor to make the network element available on an unbundled basis, or minimize the effect of limiting such access.

For instance, there is a single example of where the Commission might conclude that proprietary interfaces exist -- between ILEC STPs and signaling links and/or ILEC SCPs and STPs. AT&T has indicated that if the Commission determines that such interfaces should remain proprietary and exclusive to the ILEC, the Commission should require that requesting carriers be allowed to access such ILEC SCPs through ILEC STPs instead (AT&T Comments, Phase I, p. 24 n. 25). In no other case has a meaningful showing of proprietary concerns been made, thus Section 251(d)(2) would not be implicated.

Thank you for your consideration of these issues and do not hesitate to contact me if you need additional information.

Sincerely,

A handwritten signature in black ink that reads "Bruce K. Cox". The signature is written in a cursive, slightly slanted style.

Attachement

cc: Mr. Stuart Kupinsky
Mr. Paul Gallant

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ICCF ISSUE IDENTIFICATION FORM

**ISSUE TITLE: IDENTIFICATION OF END USER LINES SERVED BY
COMPETITIVE LOCAL SERVICE PROVIDERS**

ISSUE ORIGINATOR:
COMPANY:
TELEPHONE:
REQUESTED RESOLUTION DATE:

ISSUE #
DATE SUBMITTED:
DATE ACCEPTED:
WORKSHOP ASSIGNED:
CURRENT STATUS:
RESOLUTION DATE:

ISSUE STATEMENT: Initially, and on an ongoing basis, competitive local service providers may offer service through the resale of the incumbent LEC's services or the purchase of a network element or combinations of network elements unbundled from the incumbent LEC's facilities. In some cases, however, the competitive service provider may choose to provide service capabilities such as operator services or local Directory Assistance from its own network platforms. Accordingly, when an end user served by a competitive service provider, but provisioned from the incumbent LEC's switch dials 0-, "411" or (HNP) 555-1212, it may be appropriate to connect the end user to the operator services or Directory Assistance platform of its chosen local service provider, rather than that of the incumbent LEC.

To allow the routing of this type traffic to network platforms other than those of the incumbent LEC, the lines in a given end office served by competitive service providers must be identified. Although the use of line class codes is a possible solution, which might be effected for an interim interval, the limited number of these codes and the administrative burden associated with their maintenance demands an alternative, more efficient solution for the long term.

SUGGESTED RESOLUTION: An ICCF workshop should be established to investigate and possibly recommend the network solution(s) that might be employed to provide the required capability. These solutions might be switched based, derived from AIN functionality, or built upon the infrastructure to be deployed for the support of Local Number Portability.

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